

Program A: Office of Financial Institutions

Program Authorization: R.S. 6:1-138; 6:201-569; 6:641 et seq.; 6:701-950.8; 6:970-974; 6:1001 et seq.; 6:1031-1053; 6:1081 et seq.; 6:1111 et seq.; 6:1131 et seq.; 9:2130; 9:3510 et seq.; 36:101(c); 36:108(c); 37:1781-1809; 51:361-371; 51:701-724; 51:1921 et seq.; 51:2386 et seq.

Program Description

The mission of the Office of Financial Institutions Program is to charter, license, and supervise those entities under its jurisdiction in order to protect the public interest and enhance confidence in the financial services industry.

The goals of the Financial Institutions Program are:

1. Provide effective, efficient, proactive supervision to all entities under OFI's jurisdiction.
2. Provide effective, efficient support, direction, and management to various OFI division and external constituents.

The Financial Institutions Program includes the following activities:

1. Executive Administration – The management arm of the agency, providing direction to the three other activities. Overall agency management, human resources, information systems, and other support functions reside in this activity.
2. Depository Institutions – Through the Depository Institutions Activity, the program regulates all state-chartered depository institutions including banks, savings banks, thrifts, their respective holding companies, and credit unions. OFI's banking division has been accredited by the Conference of State Bank Supervisors since 1989; OFI's credit union division has been accredited by the National Association of State Credit Union Supervisors; accreditation was received in 1995.
3. Non-Depository Institutions – Through the Nondepository Institutions Activity, the program is responsible for registering, licensing, and regulating the following: licensed lenders, pawn brokers, collection agencies, residential mortgage lenders, brokers and originators; credit repair service organizations, bond for deed escrow agents, sellers of checks, check cashers; and retail sales finance businesses which are required to file notification with OFI.
4. Securities – Through the Securities Activity, all securities offerings, agents, broker dealers, and investment advisors are also regulated through the Securities Activity. Business and Industrial Development Corporations (BIDCO's) and Certified Louisiana Capital Companies (CAPCO) are also regulated through the securities activity.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 2000-2001	ACT 12 2001-2002	EXISTING 2001-2002	CONTINUATION 2002-2003	RECOMMENDED 2002-2003	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$0	\$0	\$0	\$0	\$0	\$0
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	6,722,655	7,461,715	7,461,715	7,948,879	8,004,449	542,734
Statutory Dedications	805	4,500	4,500	0	0	(4,500)
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	\$6,723,460	\$7,466,215	\$7,466,215	\$7,948,879	\$8,004,449	\$538,234
EXPENDITURES & REQUEST:						
Salaries	\$4,503,067	\$4,943,532	\$4,999,532	\$5,192,506	\$5,303,478	\$303,946
Other Compensation	58,085	74,707	74,707	74,707	74,707	0
Related Benefits	874,297	996,277	1,074,096	1,218,761	1,162,089	87,993
Total Operating Expenses	996,149	1,099,786	1,115,999	1,102,571	1,007,521	(108,478)
Professional Services	3,827	40,500	16,500	16,500	16,500	0
Total Other Charges	205,099	184,613	58,581	125,919	191,830	133,249
Total Acq. & Major Repairs	82,936	126,800	126,800	217,915	248,324	121,524
TOTAL EXPENDITURES AND REQUEST	\$6,723,460	\$7,466,215	\$7,466,215	\$7,948,879	\$8,004,449	\$538,234
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	122	128	128	128	129	1
Unclassified	1	1	1	1	1	0
TOTAL	123	129	129	129	130	1

SOURCE OF FUNDING

This program is funded with Fees and Self-Generated Revenues and Statutory Dedications. Fees and Self-Generated Revenues are derived from fees charged to businesses and corporations of the financial industry, such as banks and branch application fees, reservation of a name, holding company assessments, special examinations, trust and transfer agent examinations, thrift mergers, credit union assessments, in consumer loan broker fees, securities, and small business administration fees, etc. The Statutory Dedications are derived from civil penalties and overcharge violations paid to the Commissioner Education Fund. The Louisiana Consumer Credit Education Fund was used to finance education programs for consumers and lenders concerning the provisions of the consumer credit laws. The Louisiana Consumer Credit Education Fund was abolished per Act 1182 of 2001 Regular Legislative Session. (Per R.S.39:32B.(8), see table below for a listing of expenditures)

	ACTUAL	ACT 12	EXISTING	CONTINUATION	RECOMMENDED	RECOMMENDED
	2000-2001	2001-2002	2001-2002	2002-2003	2002-2003	OVER/(UNDER)
						EXISTING
Louisiana Consumer Credit Education Fund	\$805	\$4,500	\$4,500	\$0	\$0	(\$4,500)

MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$0	\$7,466,215	129	ACT 12 FISCAL YEAR 2001-2002
			BA-7 TRANSACTIONS:
\$0	\$0	0	None
\$0	\$7,466,215	129	EXISTING OPERATING BUDGET - December 20, 2001
\$0	\$122,475	0	Annualization of FY 2001-2002 Classified State Employees Merit Increase
\$0	\$98,480	0	Classified State Employees Merit Increases for FY 2002-2003
\$0	\$22,938	0	Risk Management Adjustment
\$0	\$229,915	0	Acquisitions & Major Repairs
\$0	(\$126,800)	0	Non-Recurring Acquisitions & Major Repairs
\$0	\$100,490	0	Salary Base Adjustment
\$0	(\$14,509)	0	Attrition Adjustment
\$0	(\$27,523)	0	Salary Funding from Other Line Items
\$0	\$81,776	0	Group Insurance Adjustment
\$0	\$2,283	0	Civil Service Fees
\$0	(\$4,500)	0	Other Non-Recurring Adjustments - LA Consumer Credit Education Fund was abolished per Act 1182.
\$0	\$54,864	1	Other Adjustments - Financial Institutions Investigator position for the New Orleans' district due to the expanded availability of securities offered through banks, increased volatility of the market, and the apparent confusion of products by consumers.
\$0	\$15,695	0	Other Adjustments - Purchase of in-house web server.
\$0	\$15,050	0	Other Adjustments - Software upgrade from Microsoft Office 97 to Microsoft XP for 19 computers in order to implement new FDIC examination software and for all OFI division programs to remain consistent with one another.
\$0	\$9,861	0	Other Adjustments - Rental Increase for the New Orleans District Office
\$0	(\$42,261)	0	Other Adjustments - Group Benefits adjustment to required levels
\$0	\$8,004,449	130	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$0	\$8,004,449	130	BASE EXECUTIVE BUDGET FISCAL YEAR 2002-2003

MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$0	\$8,004,449	130	GRAND TOTAL RECOMMENDED

PROFESSIONAL SERVICES

\$10,000	Legal services - Avant and Falcon
\$6,500	Training - Providing presentations on topics related to banking, thrifts, examinations, and other regulatory areas etc.
\$16,500	TOTAL PROFESSIONAL SERVICES

OTHER CHARGES**\$0 SUB-TOTAL OTHER CHARGES****Interagency Transfers:**

\$11,829	Legislative Auditor expenses
\$18,951	Department of Civil Service fees
\$1,474	Comprehensive Public Training Program fees
\$3,735	Uniform Payroll Systems fees
\$67,338	Office of Risk Management fees
\$63,628	Office of Telecommunication Management fees
\$15,000	Investigators fees for the background checks (completed by the Office of State Police) for licensed lenders, pawnbrokers, collection agencies, and bank board members
\$9,875	Division of Administrative Law

\$191,830 SUB-TOTAL INTERAGENCY TRANSFERS**\$191,830 TOTAL OTHER CHARGES**

ACQUISITIONS AND MAJOR REPAIRS

\$248,324 Replacement of four (4) vehicles; and computer equipment necessary to meet department standards, and to implement new FDIC examination software.

\$248,324 TOTAL ACQUISITIONS AND MAJOR REPAIRS